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LETHBRIDGE NORTHERN
IRRIGATION DISTRICT



Sixth Annual Report
AND
Financial Statement
1926



The LETHBRIDGE NORTHERN IRRIGATION DISTRICT

SIXTH ANNUAL REPORT AND FINANCIAL STATEMENT 1926

Lethbridge, Alberta,

January 21st, 1927.

To the Water Users,
Lethbridge Northern Irrigation District.

It is with great pleasure that we present to you this Annual Report which shows the affairs of the Lethbridge Northern Irrigation District to be in a most satisfactory condition. All current debenture payments have been met and all arrears paid in full; we have on hand, reserves for replacement of structures and for expenditures in connection with seepage and drainage to the handsome amount of over \$88,000.00; we have a cash operation surplus of over \$12,000.00 and a water right surplus of over \$40,000.00. It is therefore apparent that the affairs of the District from a financial standpoint could hardly be better.

The water users of the District may well congratulate themselves upon this situation. In doing so it is only right, however, that they should fully realize the reason for the satisfactory position. It has been possible to pay up all interest and establish fully our proper reserves only because the Provincial Government has assumed responsibility for the payment of rates on a great part of the land in the District. The Provincial Treasurer, quite outside of, and in addition to the cost of the Government's colonization operations in the District, paid in cash to the District in 1926 for current rates and arrears of rates the sum of \$843,042.51 as you will see from the report of the Secretary-Treasurer. There was collected and remitted to the Provincial Treasurer home place charges "in lieu of rates" to the amount of \$43,522.21. The net amount therefore that the Government has paid to the District this year is the large sum of practically \$800,000.00. It is on account of this action of the Provincial Government that the financial affairs of the District have been placed in the splendid position which I have outlined above, and which is set forth in more detail in the report of the Secretary-Treasurer. It is not expected that the annual cost to the Government will in any year in future reach so large an amount as in 1926.

The increase in settlement in the District with the corresponding increase in area under irrigation and cultivation must be a source of gratification to all. Every additional acre which is brought under production in the District is going to help lessen the cost per acre and the goal aimed at is to get every irrigable acre under irrigation. The spirit of good will and co-operation and willingness to assist the newcomer which has been manifested by the people of the District is highly pleasing to observe and must be a source of gratification to the Colonization Manager and his staff. On our part we desire to express our appreciation of the work done by him and his staff and of their co-operation at all times with the employees of the District. A very complete Crop Census was taken by our operating staff. This has been analyzed in the Colonization Manager's office. Splendid increase in settlement, buildings, equipment and livestock is shown throughout the District as will be seen from the summaries included in the Project Manager's report herewith.

Through rate enforcement proceedings early in 1926 a very considerable number of parcels became the property of the District, practically all of which had been owned by non-residents. These were offered for sale at public auction with a reserve bid equal to the arrears of rates and taxes. Only two parcels were sold. Pursuant to the provisions of the Colonization Act the remainder, except those subject to first mortgages as defined by the Irrigation Districts Act, were transferred to the Colonization Manager for settlement purposes. The lands subject to first mortgage remained, in accordance with the law, in the hands of the District. No effort has been spared to effect a compromise in regard to such lands and arrange discharge of mortgage so that the lands might be occupied with some hope of the occupant making a success. The area covered by first mortgages has been very considerably reduced during the year. The enforcement proceedings for arrears of 1925 rates were carried out in the fall of 1926. The sale of lands took place January 11th, and twenty-six parcels, nearly all the property of non-residents, were up for sale. Two of these were sold and the balance, except four subject to first mortgage, have been transferred to the Colonization Manager.

It has been said that this is the home of optimists. In any event I believe everyone is looking forward to 1927 with the hope and expectation that weather conditions will be better than they have been in 1926 when, it must be admitted, they were far from ideal for maximum production under irrigation. An excessive amount of high wind and dry weather early in the season not only caused soil drifting which was a source of a great deal of expense to the District but prevented or delayed germination of crops; an exceedingly wet September which delayed the maturing of much crop added to the damage caused by comparatively early frost. In spite of the conditions referred to, the Treasurer's report indicates that collections have been good. Owing to the increase in settlement and the adverse weather conditions the cost of actual operation and maintenance was increased, but, with savings on other items, it is gratifying to be able to show but little increase in total expenditure.

It has been the endeavor and aim of the administration to give a water service to the people of the District as nearly 100% good as possible. Undoubtedly rotation of water must come eventually and quite soon, perhaps, in some parts of the District. It is felt, however, that in the early years of the project until the water users have become more familiar with irrigation and until they have had a chance to get established in diversified farming it is worth while and to the advantage of the people to avoid rotation as long as possible. With this in view canals have in many instances been run over their rated capacity at some additional cost in maintenance.

The water users have been urged in our monthly bulletins to make known without hesitation or delay any trouble of which they have reason to complain and any matter which in the interest of the District the administration

should know of. An endeavor has been made to personally inquire into and investigate every such complaint and to deal with it fairly and justly. It is impossible to operate so large a system without a certain amount of trouble but complaints have been so surprisingly few that I feel we are justified in assuming that the service has been good. This has only been made possible through the reasonableness of the Water Users in general and the faithful work and cheerful co-operation of a loyal staff both in the office and in the field, whose untiring service I desire to commend to the people of the District.

One of the most important matters to deal with in the first years of operation is the assessment of the lands. The classification as to "irrigable" and "non-irrigable" must be fair and just. The original assessment of this District was based on the classification made by the Dominion Reclamation Service before the construction of the works. This has proved to be remarkably accurate but was never intended to be so thoroughly made in the first place as to permit of its use after construction without revision. The District is most fortunate in connection with this reclassification in having received gratis from the Dominion Reclamation Department the services of Mr. Fetterly, who was engaged the whole season on this work, and covered a considerable portion of the District. An effort was made to deal first with those cases where serious complaint had been made and particularly where danger existed of the land being forfeited. To accomplish this and deal with all such cases this year our own staff assisted in the work. I am pleased to say that the Commissioner of Irrigation has assured me that the assistance of their Department in this work will again be available in 1927 for which we are all much indebted. We are also indebted to them for the services of a number of men running head ditches for the farmers during the early part of the season. The thanks of the whole District is due to the Commissioner of Irrigation and all the officers of the Reclamation Service for their co-operation and assistance.

In this same connection I desire to mention the valuable assistance rendered at all times by the officers of the Provincial Department of Agriculture. The help given by the Agricultural Agent, Mr. Freng, and his assistants, Mr. Giffen and Mr. Eisenhauer, has been of the utmost value. The people of the District are most fortunate in having this service at their command and no better advice can be given anyone in the District than to take his agricultural problems to Mr. Freng.

We are also greatly indebted to Mr. W. H. Fairfield of the Dominion Experimental Station for his unfailing assistance and advice at all times. The people of the District are indeed also fortunate in having this experimental farm at their doors and a man like Mr. Fairfield in charge. Attention was drawn in our last bulletin to the annual short course in Irrigation farming to be held under the joint auspices of the Provincial Department of Agriculture and the Dominion Experimental Farms. The School opens at 2 p.m. Monday, February 14th, at the Experimental Station, east of Lethbridge. Anyone who can possibly make arrangements to attend should do so. He will be well repaid for the time and trouble taken.

All authorities agree that success under irrigation can only be achieved by diversified farming. The large amount of grass seed distributed throughout the District during the past two or three seasons is a sure indication of the trend in the proper direction. During 1926 between the District office and the Colonization office over 28,000 pounds of seed, mostly alfalfa and sweet clover, were disposed of.

No home in the District will be a real home until it is surrounded with trees. We are glad to be able to report a successful year in tree planting. Early in the season an active campaign was started which resulted in a large number of trees and cuttings being planted throughout the District. In

addition to this, tree belts were planted on our own properties and four District nurseries were established where about 15,000 cuttings were grown and well rooted. A large number of these will be for sale to the Water Users at a nominal price this spring; trees and new cuttings will also be available. This work is so valuable and important that it is planned to continue it.

Presented herewith are the reports of the Secretary-Treasurer, the Manager and the Auditor for your consideration.

In closing I again desire to extend my personal thanks to the Water Users of the District and to the staff for their assistance and co-operation without which it would be impossible to efficiently carry on the business of the District.

Respectfully submitted,

L. C. CHARLESWORTH,

Official Trustee.

REPORT OF THE SECRETARY-TREASURER

January 12st, 1927.

L. C. Charlesworth,
Official Trustee,
Lethbridge Northern Irrigation District,
Lethbridge, Alberta.

Sir:—

I submit herewith for your consideration my report for the year 1927.

OFFICE ADMINISTRATION

The administrative machinery of the office has functioned throughout the past year, smoothly and efficiently. At the beginning of the year an Equipment and Material Stock Ledger was started, so that now every article of equipment and every foot of lumber is properly recorded and must be accounted for. A few other minor improvements were made in the office system generally, these chiefly consisting of improvements in record and accounting forms and the changing of the old method of certifying invoices.

FINANCE

It is a great pleasure to report that the finances of the District are in excellent shape, due to the assistance given by the Provincial Government through the medium of the Colonization Act. During the year 1926 the District was able to pay off in full, the amount owing to the Government by way of defaulted bond interest, current bond interest and payment on the short term debentures. In addition, not only was it possible to liquidate in full the amount of \$70,647.71 owing to the Bank of Montreal, Edmonton, at the close of the year 1925, but it was also possible to establish a Reserve Fund for maintenance of structures and other contingencies, of \$88,212.30 which was levied for in 1925 and 1926. Of this amount, \$77,000.00 has been invested in Dominion of Canada 4½% bonds due February 1st, 1946, costing \$96.25 and yielding a return of 4.79%. Consequently, it has not been necessary to borrow money, so not only has a considerable saving been effected by way of not having to pay interest charges, but interest amounting to \$4,552.53 has been

earned from investments and money on deposit. It may be pointed out here, that all this was only made possible through the rates paid by the Provincial Government on Home Place lands and lands in the hands of the Colonization Manager.

The Canadian Pacific Railway Company paid up last year, the capital cost on 287.73 irrigable acres taken up by its Kipp-Turin right-of-way. The total paid amounted to \$28,085.32 and of this sum \$7,990.26 came to the District, which amount invested at 4½% will return the water service charge on 287.73 acres at \$1.25 per acre, in perpetuity. \$7,600.00 of this has been invested in Dominion of Canada guaranteed Canadian National Railway bonds due September 15th, 1954, costing \$95.00 and yielding a return of 4.82%. Of the balance, \$390.00 has been invested in Provincial Savings Certificates paying 4½% interest, leaving a balance of .26c not invested.

The following statement outlines the standing of the District with the Provincial Government as at December 31st, 1926:

Total Rates billed to Provincial Government in 1926	\$843,042.51
Amount applied on Interest on Bonds, Defaulted Interest and Interest thereon	\$527,144.28
Short Term Debentures paid	58,665.75
Paid to District in cash	156,177.96
Repayment of Note, Bank of Montreal, with interest....	71,974.88
Total Payments for District	813,962.87
Balance owing to District by Provincial Government, Dec. 31, 1926	\$ 29,079.64

Other financial details will be found on the Statement of Revenue and Expenditure and the Balance Sheet.

RATE ENFORCEMENT

On April 2nd, 1926, lands comprising 36,405.5 irrigable acres were put up for sale, for arrears of rates owing, under the provisions of the Lethbridge Northern Rate Enforcement Act. Two parcels covering 66.4 irrigable acres were sold and the balance, except lands subject to a first mortgage within the meaning of the Irrigation Districts Act, covering 7,467.9 irrigable acres, were turned over to the Colonization Manager for settlement, the Provincial Government being billed for the arrears and current rates. The Rate Enforcement Return for 1926 comprising 4,286.1 acres, was confirmed by the Judge of the District Court on November 29th last. Several parcels were redeemed after confirmation so that the former total had been reduced to 2,724.4 irrigable acres when the lands were offered for sale on January 11th of this year. Two parcels, covering 46.9 irrigable acres, were sold at this sale, and the balance were turned over to the Colonization Manager, with the exception of lands subject to a first mortgage within the meaning of the Act, comprising 499.6 irrigable acres.

COLLECTIONS

Although on the whole collections have been good, there is no doubt that the total paid would have been a great deal more, but for the inclement weather in the early fall of 1926 and subsequent damage to crops, which was far greater than realized at the time. Very few Home Place rates for 1925 remained unpaid in the early spring of 1926 and it is hoped that by the spring of 1927, a like situation will exist.

Despite the policy laid down early in 1926, that the District would demand the full current rates from any crops grown on these lands to which the District holds title subject to a first mortgage, a few crops were put in.

Therefore, steps were taken to protect the District against loss in this connection and also against other lands responsible for the full rates and which were being farmed by tenants. By this means \$4,766.11 was secured which otherwise the District would not have received.

The total collections from water users for the year 1926 are as follows:

Arrears of Rates Home Place lands	\$ 25,315.58
Current Rates on Home Place Lands	43,522.21
Arrears and Current Rates on other lands	35,208.44
Total Collections for year	\$104,046.23

GENERAL

Under the heading of "Rate Enforcement" it was pointed out that the District had title to lands subject to a first mortgage comprising 7,467.9 irrigable acres. During the year various mortgagees discharged their mortgage, on the District agreeing to transfer title to them. In addition, agreements were entered into between others and the Colonization Manager whereby their mortgage was discharged. Consequently the former total has been reduced to 5,002.3 irrigable acres, to which must be added those lands recently acquired through the 1926 rate enforcement proceedings, making a total of 5,501.9 irrigable acres in the hands of the District subject to a first mortgage within the meaning of the Act. In addition there are still 1,186.3 irrigable acres, title to which is vested in the Crown. Eventually it is hoped that most of these lands will be turned over to the Colonization Manager, but until that happens, the District must lose the rates on a considerable area.

In closing my report I would like to express my appreciation of the co-operation received during the past year from all members of the staff.

Yours respectfully,

J. SUTTON,
Secretary-Treasurer.

REPORT OF THE PROJECT MANAGER

Lethbridge, Alta., January 14th, 1927.

L. C. Charlesworth, Esq.,

Official Trustee,

Lethbridge Northern Irrigation District,

Lethbridge, Alberta.

Sir:—

I submit the following report for the year 1926 and an estimate of expenditures for 1927, for your information and consideration.

GENERAL CONDITIONS

The weather during the early part of 1926 was exceptionally mild and windy, with the result that there was considerable soil drifting and weed blowing from dry lands into the District ditches. Ditches were filled up and damaged and had, in some cases, to be cleaned out several times. In a few cases listing and fencing were resorted to. This naturally entailed considerable maintenance work and increased the expenditures over former years and in some cases there was a little delay in starting service. With the equipment at hand, in the spring of 1926, we could not remove the drift with water in the ditches, but in future we will turn in the water and use the D. N. R. excavator for cleaning where soil drifting is bad.

Chiefly owing to the active colonization policy adopted by the Government, there has been a considerable increase in the number of water users on the project. There was an increase of about thirty per cent in the area served during 1926, as compared with the preceding year. Not only was there a considerable increase in acreage but there was the unusual occurrence of two peaks, or periods of heavy demand for water. The first, due to a very dry spring, came early in June, and was terminated by a rain on June 19th. The second came early in July, and continued longer than usual.

The dry summer was followed by a wet harvest which prevented the carrying out of the usual program of maintenance work planned for the period when very little water is being used, besides sloughing the banks of the canals and increasing the silt deposits. While there was a comparatively small quantity of water used during the fall, the canals were kept in operation to the 20th of October. The shutting off of the water was followed by a spell of good weather when considerable maintenance and repair work was done.

OPERATION AND MAINTENANCE STAFF

Although there was a considerable increase in the area irrigated during 1926, the only increase in the regular staff was two Ditch Riders and two Teamsters. The staff consisted of the Project Manager, one Hydrometric Engineer, four Watermasters, one Assistant Watermaster, twenty Ditch Riders, one Rodman, eighteen Teamsters and a number of labourers. The temporary maintenance force was somewhat larger than usual because of the large amount of ditch cleaning and repair work. A number of men with teams were hired temporarily at times when the District's own regular force could not do all the work.

I wish especially to mention that the regular staff has been very loyal and faithful to the District. All members of the staff have been willing, at

all times, to do more than their share of the work and particularly anxious to give the water users good service.

RECORDS OF FLOW IN CANALS

Records of flow have been obtained at gauging stations on the main canal, on branch and secondary canals and on the spillways, during the past year. These are essential for the proper handling of the water and for solving many of the engineering problems that arise. These records are being tabulated and will be studied during the winter.

In addition to the regular hydrometric records, special investigations are being made by the Dominion Government Reclamation Service to determine the losses in the upper portion of the main canal and Keho Reservoir. Their Assistance is very much appreciated.

WATER DELIVERIES

The Ditchriders are required to keep a record of the water delivered to each user. The following schedule gives a summary of the water deliveries during 1926:

Unit	Number of Waterusers	Number of Parcels Served	Number of Acre-Feet Delivered	Number of Acres Irrigated
Macleod	36	47	2,078	1,493
Monarch	105	146	13,338	9,342
Commerce	190	233	29,475	15,369
Iron Springs	300	370	48,337	30,191
TOTALS	631	796	93,228	56,395

It will be noted that an average of 1.65 acre-feet per acre was used. Nearly all of the irrigating was done before harvest. Very little fall irrigation was done because of weather conditions.

The following schedule gives a comparison of the total area shown on the assessment roll as "to be irrigated" and the areas actually irrigated during 1924, 1925 and 1926:

Unit	Total Irrigable Area	Area Irrigated During			Increase in Area 1926 over 1925
		1924	1925	1926	
Macleod	6,787	1,100	2,536	1,493	decrease
Monarch	13,982	5,000	7,702	9,342	1,640
Commerce	23,634	7,800	9,685	15,369	5,684
Iron Springs	58,163	16,091	23,705	30,191	6,486
Totals	102,566	29,991	43,628	56,395	12,767

It will be noted that the annual increase is about thirteen thousand acres.

CROP CENSUS

Detailed reports of the crops grown in the District have been obtained by the Watermasters and Ditchriders. While weather conditions delayed threshing and made it late before this work could be started, the farmers co-operated and facilitated the work very much. The report for 1926 is therefore almost complete.

General summaries of these reports were compiled in the Colonization Manager's office and are attached hereto. It will be noted that the yields for 1926 are a little below 1925. This is largely accounted for by the fact that weather conditions were less favourable during 1926. The mild windy weather in the early part of the year dried the top soil so badly that the seed did not germinate until water was applied or the rains came in June. Many

of the farmers, particularly new settlers, were not ready to irrigate so early and their crops were therefore patchy and late in getting started. Hoping to make up for the late start in the spring, some farmers applied water late in the summer. This would be beneficial in most years, but in 1926, there was a lot of rainy weather in the early fall which delayed ripening and brought early frosts which did much damage to late crops. The yields and grades of early crops were also affected by the unfavourable harvest weather.

The unit values of the grain crops are lower because of falling prices and low grades. Hay prices are good but quite a lot of the hay was lowered in grade by rains.

In spite of these drawbacks, the area cropped and the gross values have increased. There has also been a very marked increase in the livestock in the District, and there is a gradual increase in the revenue from butter, eggs, meat, etc. The fixed assets, such as buildings and fences, have also increased considerably during the past year, indicating that the settlers are satisfied and are establishing permanent homes. Many of the old tenants have purchased lands and become permanent settlers. There is more land ready for next year's crop than ever before at this time of the year, and there is no doubt that there will be a much greater area in crop in 1927.

It is noteworthy that the assets of the new settlers totals \$483,138.00, made up as follows: Buildings \$169,595.00; fencing \$40,193.00; livestock \$170,141.00; and equipment \$103,209.00. New settlers have 8840 acres of breaking and summerfallow ready for seeding in the spring.

D. N. R. EXCAVATOR

The advantages of a machine for cleaning small ditches have been realized for some time, but we did not wish to make a purchase before necessary. However, when soil drifting became bad last spring, a D. N. R. excavator was purchased from the Canadian Pacific Railway Company. This machine arrived at Nobleford on the twenty-fourth of May and started to work in the Iron Springs Unit on the first of June. The total cost of the machine and accessories including the amount paid to the C. P. R., freight to Nobleford, erecting and delivering to Iron Springs Unit and the value of the auto, cook car, tools and accessories used with the machine was \$7,156.05.

The excavator has operated very satisfactorily and it has done good work. It was used for a month and a half in the Iron Springs Unit and four months in the Commerce Unit. 37,964 feet of small ditch was cleaned in the Iron Springs Unit and 86,800 feet in the Commerce Unit. 24,700 feet of the ditch in the Commerce Unit had a bed width of 4 to 5 feet and extra extensions had to be put on the main axle and the bucket line while cleaning it. Not only does the excavator clean out the drift, silt and debris, but it enlarges the small ditches. The total length of ditch cleaned in 1926, was 23.6 miles and the quantity of earth moved is estimated as 15,013 cu. yds.

A summary of the cost records is as follows:

Total cost of operations in Iron Springs Unit	\$ 566.90
Total cost of operations in Commerce Unit	1,225.55
Depreciation on Excavator and accessories	850.82
Total cost for 1926	\$2,643.27
Cost per mile	112.00
Cost per cubic yard	17.6

A small sum should be added to the figures given above to cover the cost of repairs that will be needed before the machine starts out again.

Not only is the cost of the work done by the excavator low, but it can be used without interrupting service and in places where horses cannot work at all.

AUTOMOBILE COSTS

As the record of the costs of operating the District's automobiles is very interesting, the latest summaries are attached. They give details of the cost of operating the automobiles owned by the District at the present time and of the combined cost of operation and depreciation for automobiles that were sold during 1926.

EXPENDITURES DURING 1926 AND ESTIMATES FOR 1927

In order to make a comparison and study of expenditures and estimate, I attach a schedule showing the expenditures for 1924, 1925 and 1926 and an estimate for 1927. The accounts in this schedule differ in some respects from the accounts in the Auditor's Reports, but this is only a matter of rearrangement of the various items which is done so that comparisons can be made more easily. A brief statement of the details of the expenditures during 1926 and the estimate for 1927 will be given for each account.

GENERAL ADMINISTRATION

All accounts made up of expenditures for administration are included under this heading. The total under this heading has decreased due largely to a decrease in the Trustees' fees and expenditures for interest on current borrowings. It is expected that the expenditures for 1927 can be kept a little below 1926.

SALARIES

This account includes the salaries of the Secretary-Treasurer and his staff. The salary of the Project Manager and his staff is included in Maintenance and Operation expenditures. Provision is made in 1927 estimate for slight increases in salary.

TRAVELLING EXPENSES

These are the travelling expenses of the Secretary-Treasurer in connection with assessment roll and collections. The estimate makes provision for an expected increase in travelling in 1927.

TRUSTEES' FEES AND EXPENSES

This includes the fees and mileage of the Board of Trustees, the travelling expenses of the Official Trustee, and the expenditures in connection with Ratepayers' meetings and elections. The estimate provides for the expenses of the Official Trustee and Ratepayers' meetings.

LEGAL AND COURT EXPENSES

This includes all expenditures in connection with legal matters and the fees of the Solicitors. Two-thirds of the expenditures during 1926 were Court and Land Titles' Office fees in connection with the Rate Enforcement last spring. The balance of the expenditures were solicitor and Land Titles Office fees for regular business of the District. It is expected that there will be a decrease in this item in 1927.

RENT, LIGHT, JANITOR, ETC.

This includes the expenditures for rent, light, heat, power, janitor, etc., for head office. The estimate for 1927 is made a little higher than 1926 expenditures, to provide for our increasing business.

STATIONERY AND PRINTING

This includes the expenditures for stationery, forms and office supplies for head office and all the staff of the District. The expenditure for 1926 was

a little above average because of the expenditures for new Rate Roll made necessary by the special arrangements as to rates established by the Colonization Act. The estimate is slightly lower.

POSTAGE AND EXCISE

This includes expenditures for postage stamps and revenue stamps at head office. The estimate for 1927 is made a little higher to take care of increasing business.

DRAFTING AND ENGINEERING SUPPLIES

This includes the expenditures for drafting paper, blue print paper, tracing linen and other materials used in the drafting office, and iron posts, wooden stakes, etc., used in connection with field work. Provision is made in the estimate for more supplies being used in connection with re-classification work.

TELEPHONE AND TELEGRAMS

A raise in telephone rates accounts for most of the increase in expenditures charged to this account. 1927 will be about the same.

INTEREST AND BANK CHARGES

This is the expenditure for interest on money borrowed from the Bank. Owing to the payment of most of the rates by the Provincial Government under the Lethbridge Northern Colonization Act, no borrowing was necessary in 1926 or likely in 1927.

MAINTENANCE AND REPAIRS TO EQUIPMENT

These expenditures are for maintenance and repair of the office equipment and furniture at headquarters. A slight decrease is estimated for 1927.

AUDITING

All fees charged for auditing the books and records of the District are charged to this account.

SUNDRY

This includes all expenditures of small sums at head office that do not come under any of the accounts shown above. The assessment of the Workmen's Compensation Board accounts for \$316.05. The estimate provides a small sum for unforeseen expenditures.

MAINTENANCE AND OPERATION

All expenditures for wages, auto expense, horse expense, horse hire, rent, maintenance and repairs to equipment, insurance, materials for minor repairs, crop and flood damages, maintenance and repairs to buildings, telephone tolls and rentals, travelling expenses of staff, easement rentals, taxes, and other sundries in connection with the maintenance and operation of the Project are included under this heading. The amounts charged to each account for each Unit are given in a summary in the Auditor's Report.

Maintenance and operation expenditures were materially increased in 1926 by soil drifting which is estimated to have caused an extra outlay of over \$11,000.00. Labour employed on weed cleaning and weed cutting was greater than any preceding year. Extra help was employed for tree planting and nursery work. There was an increase of about thirty per cent in the area irrigated. As pointed out under the heading of General Conditions, the weather conditions were mostly unfavourable and maintenance and operation costs increased. It should also be pointed out that maintenance costs are greater when canals are operated near full supply than when only carrying a

small portion of their capacity. During 1925, some of the canals were operated above their rated capacity to avoid having to rotate delivery. This also tends to increase maintenance costs. In the fall of 1925, maintenance work was stopped when the water was shut off whereas, maintenance work was carried on until freeze up in 1926. The work left undone in 1925, had to be done in 1926, which further accounts for the difference in the expenditures in the two years. When everything is considered, the expenditures for 1926 are low and considerably below the levy.

While there will be a lot of ditch cleaning and building up of fills to do in 1927, it is estimated that the maintenance work will not cost as much as in 1926. Owing to unfavourable weather conditions there was not as much canal bank seeding done in 1926 as planned. It is planned to do more in 1927.

MACLEOD UNIT

Owing to the increase in cleaning and repair work, a team and teamster was added to the maintenance force, and additional horses and men were employed at the busy times in 1926. During 1926, considerable work was done on Lateral Main No. 01 to put it in good working condition. The ditch was cleaned and deepened in the cuts and fills were widened and heightened. Protection work on the main canal caused additional expenditures. There was no increase in the operating force.

While there will be considerable cleaning and repair work in the distribution system during 1927, it is estimated that the expenditures will be less than 1926 and about normal for this Unit.

MONARCH UNIT

Considerable soil drifting and weed blowing occurred in this Unit and nearly \$6,500.00 of the expenditures here during 1926 are directly attributable to soil drifting. The cleaning had to be done in the busy spring period when help was hard to get, and it was nevertheless imperative that the ditches should be put in proper condition without delay. Some ditches were cleaned out several times, and dust made the task very disagreeable. The D. N. R. excavator is ready to start in this Unit in the spring of 1927, and will handle the ditch cleaning much cheaper than horses. Besides that, the excavator can be used after the water is turned in. Weed cutting and canal bank seeding also added to the expense. There was also a substantial increase in the area irrigated and one Ditchrider was added to the operating force.

The estimate for 1927 provides for the ordinary amount of maintenance and repair work and for the use of the D. N. R. excavator in this Unit for about four and a half months. Canal bank seeding is to be continued. A small increase in the area irrigated is also expected but it is not expected that the present operation force will need to be increased.

COMMERCE UNIT

The area served in this Unit increased nearly sixty per cent in 1926 and operating and maintenance forces had to be increased. Soil drifting made a lot of extra ditch cleaning and when the flow in the canals was increased to meet the increased demand for water, it was found that fills had to be strengthened. The D. N. R. excavator was used in this Unit for about four months, and while it raised the costs for 1926, the benefit will spread over several years.

The estimate for 1927 provides for an increase in water deliveries and a continuance of an extensive maintenance program. Considerable protection work is planned and fills are to be widened and heightened. The excavator is to be used for a couple of months in this Unit in 1927.

IRON SPRINGS UNIT

There was an increase of over 6000 acres in the area irrigated in this

Unit during 1926, which of course increased expenditures for both operation and maintenance. The D. N. R. excavator was used in this Unit for one and a half months to clean out ditches that had an accumulation of drift and silt from former years. Protection work on drop lines and repairs to flumes accounts for quite a lot of the increase in expenditures. Ditch cleaning and bank repairs were greater than in former years.

The estimate provides for a further increase in water service and a continuance of the protection and repair work. Expenditures for ditch cleaning and weed cutting will not decrease.

HEADQUARTERS

Early in 1926, it was decided that the salary and expenses of the Project Manager, the Hydrometric Engineer and the Rodman should be charged to Maintenance and Operation instead of General Administration and this account was therefore opened up, and the expenditures for former years have been reclassified so as to get a direct comparison with 1926. An item of \$2,459.99 for arrears of rates on Watermaster and Ditchrider sites owned by the District is included in this account. When this amount is deducted, the expenditures show a decrease. The estimate provides for a slight increase in wages and travelling expenses on account of increasing business.

INSURANCE

All expenditures for fire insurance on structures and buildings are charged to this account. The increase in 1926 is due to the insurance on new buildings. As it is expected that more buildings will be added in 1927, the estimate is still further increased. The Surety Bond of the Project Manager is also charged to this account.

TELEPHONES

All expenditures for tolls and rentals of telephones outside of Head Office are charged to this account. Pin point rental accounts for \$765.55 of the expenditures. The number of telephones and the rates were increased during 1926. The increased rates will make the expenditures still higher in 1927.

TAXES

All taxes paid by the District are charged to this account. The only taxes payable are for Keho Reservoir site. The sum paid in 1925 was for 1924 and 1925.

EASEMENT RENTALS

This is the total of allowances made for the use of land for ditches. The charges for 1924 included three years rental. 1925 charges were for the year 1925 only. The rate in each of these four years was \$3.00 per acre per annum. In 1926, the rate was \$1.00 per acre which made a considerable reduction in the amount expended. A further reduction was effected by arranging for a reservation for right-of-way in all lands sold by the Colonization Manager. The expenditure should decrease a little in 1927.

FARM OPERATIONS

There is only one account under this heading, though the books record the expenditures and receipts for each farm. The net profit on farming operations during 1926 was \$649.19. This is less than preceding years because of the expense of starting new meadows. Two of the older meadows are being disposed of as it is not desirable to have very much farm work to look after, and an effort is being made to establish profitable farming operations on some seeped lands belonging to the District. No appropriation is required for this account.

SEEPAGE DAMAGES AND DRAINAGE

There has only been one account in the past under this heading. It includes all expenditures made necessary by seepage. In 1925, settlement was made in several cases but in accordance with advice from the Attorney-General's Department, no settlements were made during 1926. The expenditures charged to this account were for pumping at White Lake, and rebates of rates where seepage spoiled the crops. Provision is made in the estimate for paying damages and doing some drainage work.

PROPERTY

The expenditures charged under this heading are indicated by the names of the accounts. The two largest accounts are for buildings, and equipment. The expenditures for buildings are necessary in order to provide suitable accommodation for the field staff and shelter for horses, equipment and materials belonging to the District. Efficiency and economy are given special consideration in the type of buildings chosen and the sites selected. While some extra equipment must be provided to meet emergencies, the purchases are kept as low as good judgment will warrant.

ADDITIONAL CANALS

There were no expenditures under this heading in 1926 but a small sum is provided in the estimate for 1927 for a ditch for a spillway on the lower end of the Picture Butte branch canal.

ADDITIONAL STRUCTURES

A balance of \$989.82, owing H. H. Boomer on his timber contract, was paid in 1926. The remaining expenditures were for new check gates, delivery gates, culverts, drops and other small structures. It is not expected that the expenditures will be quite as large in 1927.

ADDITIONAL BUILDINGS

The expenditures under this heading include the purchase of two houses in Commerce. One of these and five others, purchased in 1925, were moved out to the building sites, put on good foundations with cellars, repaired, plastered and painted. The brick house in Commerce was altered and painted. Small expenditures were made to finish the barn at Piyami gates and the implement shed at the Iron Springs Watermaster Headquarters. A combination stable, granary, tool room, implement shed and loft was constructed at the Monarch Watermaster Headquarters. A Ditchrider house was also erected at this place. A barn was erected at the White Lake Ditchrider site.

The estimate for 1927 provides for the construction of a Watermaster house, a garage, Ditchrider house and two barns in the Monarch Unit, two barns in the Commerce Unit and one Ditchrider house and a barn in the Iron Springs Unit.

BETTERMENTS TO CANALS

Nothing was charged to this account during 1926. The estimate provides for riprapping a section of the canal below the Keho gates.

BETTERMENTS TO STRUCTURES

The expenditures in 1926 were for raising the flume on Section 9-10-22-4 and adding protection work to several structures.

The estimate for 1927 provides \$2,000.00 for rock protection work at the dam, \$1,000.00 for enlarging drops, gates and other structures on Monarch Secondary B canal so that it will carry a greater quantity of water, and \$1,600.00 for installing a Secondary gate and new lifting apparatus at Keho Reservoir outlet.

BETTERMENTS TO BUILDINGS

The expenditures under this heading were mostly for cisterns, wells, cess-pools, storm sashes, storm windows, creens, etc., for District buildings. The estimate provides \$700.00 for an addition to the Watermaster's barn in the Macleod Unit, \$300.00 for improvements to buildings in the Commerce Unit and \$200.00 for betterments in Iron Springs Unit.

RIGHT-OF-WAY

Nearly all the right-of-way for canals has been acquired. The estimate provides for purchasing right-of-way for spillways as well as completing deals for right-of-way for canals.

FENCING

In the past, the expenditures for fencing have been charged to maintenance and operation or farming operations. As fencing is an improvement to the property, it has been decided to open an account for it. The estimate provides for fencing seeped lands owned by the District, also Watermaster's Headquarters and Ditchrider sites.

TELEPHONE SYSTEM

The expenditures for new Telephone lines is charged to this account. The Ditchriders on the N. E. of 29-9-22-4, the N. W. of 33-10-20-4 and the N. W. of 12-10-22-4 were connected to District lines in 1926. The estimate provides for connecting the Monarch Unit Watermaster site to the District line, and connecting the Ditchrider on the N. W. of 20-10-23-4 to the Government line.

EQUIPMENT AND FURNITURE

The big item of expenses under this heading in 1926 was the D. N. R. excavator and accessories, which totalled \$7,156.05. Five old automobiles were traded in for new ones. Considerable additional equipment had to be purchased for ditch cleaning and weed cutting. Mowers, rakes, scufflers and grass seeders were purchased for all the Units. Four horses, three sets team harness and three wagons were purchased. The estimate provides for selling three old automobiles and buying four new ones. It also provides for four horses, four mowers, two rakes, two fresnos, three slips, one cook car, tools, one typewriter, one sterescope and office cabinets.

LANDS

All expenditures for lands for building sites or other maintenance and operation purposes are charged to this account. In 1926, the sites for the Watermaster's Headquarters in the Macleod and Monarch Units were paid for. The expenditures also include the Ditchrider site on the N. E. $\frac{1}{4}$ of Section 20-10-23-4, the Ditchrider site on the N. W. $\frac{1}{4}$ of Section 33-10-20-3, and the payment to the Government for the N. E. $\frac{1}{4}$ of Section 29-10-22-4.

The estimate provides for the payment for Ditchrider sites on the N. W. of 25-10-23-4, the N. E. of 29-9-22-4, the S. E. of 3-9-22-4, the S. E. of 20-12-21-4, and the S. E. of 12-12-20-4, and the purchase of one more site in the Monarch Unit.

FARM BRIDGES

This account includes all expenditures for material and labour to provide crossings over the District canals for the farm operations of the owners and occupants of the land. Two new bridges were constructed over the main canal in the Macleod Unit, and the balance of the expenditures were for material given out for smaller bridges. The estimate for 1927 is based on the assumption that there will be a further increase in new settlers.

BONDED DEBT

Payments in connection with the District's bonded debt are charged under this heading.

INTEREST, ETC.

Payments of interest on the outstanding debentures and bank charges in connection therewith are charged to this account. The payments received from the Provincial Government on "Home Places" made it possible to meet all interest payments promptly, no borrowing was necessary and the expenditures for 1926 were therefore considerably less than for the two preceding years. It is expected that the 1927 payments will be met in the same prompt manner.

PAYMENTS ON PRINCIPAL

Each year a portion of the principal of the short term debentures comes due. The amount falling due in 1927 is provided for in the estimate.

Respectfully submitted,

P. M. SAUDER,
Project Manager.

FARM CENSUS REPORT FOR THE YEAR 1926

GENERAL SUMMARY

Irrigable Land—Irrigated

Crop	Acres	Yield	Avg.	Gross Value	Acre Value 1926	Acre Value 1925	Acre Value 1924	Unit Value
Alfalfa	1,257.6	3,334	2.6	\$ 43,342.00	\$34.40	\$33.23	\$16.00	\$13.00
Timothy	263.5	435	1.6	7,830.00	29.71	33.34	17.00	18.00
G. Feed	3,361.7	4,468.8	1.3	62,563.20	18.61	22.24	8.00	14.00
O. Hay	482.2	505.2	1.04	7,578.00	15.71	16.67	8.80	15.00
Wheat	35,078.5	742,198	21.1	816,417.80	23.27	29.20	17.95	1.10
Oats	3,693	108,189	29.2	54,094.50	14.64	17.71	11.50	.50
Barley	1,423.2	31,815	22.3	17,498.25	12.29	16.29	12.90	.55
Fall Rye	74	1,960	26.4	1,568.00	21.18			.80
Flax	404	5,304	13.1	10,077.60	24.94	20.83	13.40	1.90
Corn	48	53.5	1.1	374.50	7.80	12.23	6.60	7.00
Potatoes	167.9	594.5	3.5	13,673.50	81.43	189.39	150.80	23.00
46,253.6 acres irrigated				\$1,035,017.35	\$22.37	\$27.43	\$16.19	

Other crops, acreages and yields very small.

New Alfalfa	1,229.8	(Not marketable first year.)						
S. Flowers	2							
Peas	4.5							
S. Beets	93.3							
S. Clover	197.3							
Millet & Rape	13							
Other Roots	13.5							
Garden truck....	224.7	(Good, but used entirely in the homes).						

48,031.7* Total irrigated area in crop in 1926.

37,841.6* Total Irrigated area in crop in 1925.

21,912 * Total Irrigated area in crop in 1924.

*These figures do not include pasture, unbroken sod, summerfallow and idle lands that were irrigated and which are included in the figures given under the heading of water deliveries.

IRRIGABLE LAND—NOT IRRIGATED

	Acres	Yield	Avg.
Alfalfa	102.5		
N. Alfalfa	50.4		
Timothy	7		
G. Feed	337	391	1.1
O. Hay	45	30	.6
Wheat	5,052.1	75,824.8	15.0
Oats	553	13,903	25.1
Barley	207	5,058	24.4
Fall Rye	19		
Corn	18		
Potatoes	1.1	17	15.4
G. Truck	1		
S. Clover	17		

6,410.1 acres cropped which were irrigable but not irrigated.

DRY LAND—NOT IRRIGABLE

Crop	Acres	Yield	Average
Alfalfa	66		
Timothy	27		
Green Feed	653.5	368.5	.5
Other Hay	44	9.5	.2
Wheat	7,193.6	75,116.7	10.5
Oats	495.4	5,977	12
Barley	207	4,072	19.6
Fall Rye	160	935	5.7
Flax	5	50	10
Corn	8		
S. Beets	1	2.5	2.5
Potatoes	3	5.7	1.9
G. Truck	1		
S. Clover	76	56	.7

8,940.5 acres dry land cropped.

TOTAL YIELD AND VALUE OF DRY LAND CROPS

Crop	Acres	Yield	Ave.	Unit	Gross	1926	1925	1924
				Value	Value	Acre	Acre	Acre
						Value	Value	Value
Alfalfa	168.5			\$13.00	\$	\$	\$ 1.15	\$
Timothy	34			18.00				
G. Feed	990.5	759.5	.7	14.00	10,633.00	10.73	6.48	3.84
O. Hay	89	39.5	.4	15.00	592.50	6.65	12.00	2.20
Wheat	12,245.7	150,941.5	12.3	1.10	166,035.65	13.55	15.21	8.91
Oats	1,048.4	19,880	18.9	.50	9,940.00	9.48	5.56	4.90
Barley	414	9,130	22	.55	5,021.50	12.12	9.25	3.60
Fall Rye	179	935	5.2	.80	748.00	4.13	7.95	2.20
Flax	5	50	10	1.90	95.00	19.00	.81	2.60
Corn	26						6.00	13.20
Potatoes	4.1	22.7	5.6	23.00	522.10	37.57	120.00	23.40
	15,204.2				\$193,587.75	\$12.72	\$13.59	\$8.09
Other Crops:								
New Alfalfa	50.4							
S. Beets	1							
S. Clover	93							
Garden Truck..	2							

15,350.6 Total acres dry land cropped 1926.

14,836.5 Total acres dry land cropped 1925.

SUMMARY

Gross value of Irrigated Crops	\$1,035,017.35
Gross value of all Dry Land Crops	193,587.75
Total value of crops	1,228,605.10
Value of Eggs, Milk, Butter, Beef, Hogs, Mutton, Wool, etc. sold during year 1926	300,000.00
Total value Crops and other produce	\$1,528,605.10

THE DISTRICT RESULTS SHOWING HOW LAND USED, FOLLOWS

	Irrigated Acres	Not Irrigated Acres	Dry Land Acres	Totals Acres
Cropped land	48,031.7	6,420.1	8,940.5	63,392.3
Pasture, Tame	1,041.9	957.8	2,119	4,118.7
Sod	3,167.2	14,410	23,760.6	41,337.8
Breaking & summerfallow	3,831.4	7,486.7	5,398.8	16,716.9
Idle	959.1	11,556.8	8,630.9	21,146.8
Totals for 1926	57,031.3	40,831.4	48,849.8	146,712.5
Totals for 1925	43,126.6	21,629.1	39,132.5	103,888.2
Totals for 1924	27,414	25,241	21,727	73,382.0

The figures for 1924 and 1925 do not include vacant quarters.

DETAILS OF CROP BY QUARTER SECTIONS

Including both Irrigable and Non-Irrigable Land

740 quarters were cropped 1926; 632 quarters 1925; 363 quarters 1924.
 16 parcels had better than 40 bushels of wheat to the acre, 1926.
 88 parcels had better than 30 bushels of wheat to the acre, 1926.
 229 parcels had better than 20 bushels of wheat to the acre, 1926.
 279 parcels had better than 20 bushels of wheat to the acre, 1925.
 53 parcels had better than 20 bushels of wheat to the acre, 1924.
 221 parcels had under 20 but over 10 bushels of wheat to the acre, 1926.
 131 parcels had under 20 but over 10 bushels of wheat to the acre, 1925.
 107 parcels had under 20 but over 10 bushels of wheat to the acre, 1924.

DETAILS OF BUILDINGS BY QUARTER SECTIONS

568 parcels have buildings in 1926
 491 of which are residences.
 373 parcels had buildings in 1925
 240 of which were residences.
 279 parcels had buildings in 1924
 230 of which were residences.

RENTERS

107 quarters in the district were farmed by tenants, 1924.
 187 quarters in the district were farmed by tenants, 1925.
 94 quarters in the district were farmed by tenants, 1926.

VALUE OF ASSETS

Value of Buildings	\$ 700,258.00
Value of Fencing	114,508.00
Total of Fixtures	\$ 814,766.00
Value of Livestock	474,142.00
Value of Equipment	324,516.00
Value of new trees	3,870.00
Total of Assets	\$1,617,294.00
As Against	
Total Assets of	\$1,097,588.00 in 1925
Total Assets of	877,196.00 in 1924

LIVESTOCK IN THE DISTRICT, ENUMERATED

	1926	1925	1924
Horses	4,782	2,803	1,997
Mules	41	23	
Cows	1,699	951	828
Beef	1,081	1,141	582
Hogs	3,460	1,844	1,803
Sheep	1,246	1,013	
Turkeys	1,860	1,760	1,267
Poultry	23,495	16,538	10,843

SCHEDULE SHOWING COMPARISON OF EXPENDITURES FOR 1924, 1925 AND 1926, AND ESTIMATE FOR 1927.

Account	Expenditure for 1924	Expenditure for 1925	Expenditure for 1926	Estimate for 1927
General Administration—				
Salaries	\$ 3,900.00	\$ 4,615.00	\$ 5,437.35	\$ 5,550.00
Travelling Expenses			199.10	300.00
Trustees fees, expenses etc	2,509.07	2,939.10	1,258.30	800.00
Legal and court expenses	2,019.54	1,092.49	1,546.10	1,000.00
Rent, light, janitor, etc.	2,043.07	453.80	452.00	500.00
Stationery and printing	869.23	486.66	876.40	800.00
Postage and excise	201.88	461.66	291.63	350.00
Drafting & Eng. supplies	227.21	229.20	357.85	500.00
Telephone and telegrams....	192.85	127.70	147.28	150.00
Int. and bank charges	2,162.66	5,723.90		
Main. & Rep. to equipment		4.25	64.80	50.00
Supervision Ry. Con.	1,183.27			
Auditing	250.00	475.00	400.00	400.00
Insurance	38.50	43.40	46.11	50.00
Sundry	605.74	770.10	535.07	650.00
Total Gen. Administra'n	16,203.02	17,422.26	11,611.99	11,100.00
Maintenance and Operation—				
Macleod Unit	10,675.46	8,778.96	13,193.34	10,170.00
Monarch Unit	10,051.66	9,584.69	17,694.33	13,660.00
Commerce Unit	10,702.51	8,789.41	16,764.30	15,690.00
Iron Springs Unit	16,690.66	13,849.26	19,942.25	18,575.00
Headquarters	8,443.70	8,556.60	10,966.63	8,985.00
Insurance	1,999.70	545.28	951.71	1,040.00
Telephones	575.33	1,275.75	1,337.41	1,580.00
Taxes		1,499.02	721.98	740.00
Easement Rentals	18,931.51	6,035.70	1,331.18	1,300.00
Total Main. and Opera'n	78,070.53	58,914.67	82,903.13	71,740.00
Farm Operations—				
One account only	245.49			
Seepage Damages and Drainage—				
One account only		9,223.34	467.47	15,000.00

Property Expenditures—

Additional canals	2,084.74			300.00
Additional structures	30,303.64		2,324.57	1,600.00
Additional Buildings	17,108.53	6,105.64	9,902.28	9,600.00
Betterments to canals	4,958.53			500.00
Betterments to structures	851.36		566.55	4,600.00
Betterments to buildings..			910.63	1,200.00
Right-of-way	9,693.76	2,704.32	235.00	1,000.00
Fencing				800.00
Telephone system	3,822.74	621.08	267.65	200.00
Equipment and furniture..	13,968.32	4,965.78	12,565.09	4,960.00
Lands	475.00	150.00	1,610.40	600.00
Farm bridges	2,272.90	3,714.61	2,597.46	2,100.00
Total Prop. Expen.	85,539.52	18,261.43	30,979.63	27,460.00

Bonded Debt—

Interest, etc.	393,409.03	357,170.42	335,910.11	329,600.00
Payments on Principal		32,002.67	33,923.24	35,960.00
Total Bonded Debt Exp.	393,409.03	389,173.09	369,833.35	365,560.00
Grand Totals	\$573,467.59	\$492,994.79	\$495,795.57	\$490,860.00

SUMMARY OF OPERATING COSTS OF AUTOMOBILES OWNED BY THE DISTRICT ON Dec. 31, 1926.

	No. 15	No. 19	No. 20	No. 21	No. 22	No. 23	No. 24	No. 25	No. 26	No. 27
Gasoline per mile	1.70c	1.65c	1.86c	1.73c	1.56c	1.56c	1.45c	1.42c	1.39c	1.40c
Lubricants per mile	0.20	0.14	.36	0.34	0.18	0.20	0.21	0.26	0.11	0.28
Repairs and parts per mile	0.40	0.47	.90	0.59	0.36	0.30	0.49	0.43	0.30	0.44
Tires and tire repairs per mile	0.50	0.39	.70	0.37	0.26	0.69	0.29	0.48	0.27	0.59
Sundries per mile	0.50	0.23	.30	0.27	0.44	0.13	0.22	0.10	0.21	0.56
Mechanics per mile	0.20	0.30	1.13	0.55	0.42	0.21	0.28	0.19	0.15	0.51
Total cost of operation per mile	3.50c	3.18c	5.25c	3.85c	3.22c	3.09c	2.94c	2.88c	2.43c	3.78c
Total miles travelled	25,185	29,930	17,755	19,934	19,530	9,884	9,642	10,684	9,033	6,808
Miles per gallon of gasoline	18.5	18.9	19.9	18.6	19.3	21.8	20.0	20.9	22.3	24.0
Miles per quart of oil	142.3	198	101	67	146.3	161	185.5	109	205.3	197
Total cost of operation to date..\$877.32	\$974.58	\$1,104.08	\$768.03	\$630.53	\$305.68	\$284.45	\$308.59	\$220.18	\$295.91	

SUMMARY OF TOTAL AND FINAL COSTS OF AUTOMOBILES SOLD BY THE DISTRICT DURING 1926

Items	No. 13	No. 14	No. 16	No. 17	No. 18
Gasoline per mile	1.79c	1.76c	1.90c	1.80c	1.76c
Lubricants per mile	0.24	0.36	0.31	0.38	0.26
Repairs and parts per mile	0.30	0.76	0.57	0.83	0.50
Tires and tire repairs per mile	0.39	0.71	0.60	0.88	0.31
Sundries per mile	0.29	0.16	0.22	0.43	0.46
Mechanics per mile	0.35	0.42	0.59	1.07	0.09
Total cost of oper. per mile	3.36	4.17	4.19	5.39	3.38
Depreciation per mile	2.04	1.30	1.97	2.31	2.52
Total and final cost per mile....	5.40	5.47	6.16	7.70	5.90
Total miles travelled	21,678	28,268	19,844	18,353	17,013
Miles per gallon of gasoline....	19.0	18.5	17.6	21.0	18.5
Miles per quart of oil	126	87.2	89	129	108
Total cost of operation	\$727.75	\$1,177.90	\$840.83	\$1,155.88	\$574.75
Total depreciation	441.35	372.38	390.85	424.05	429.00
Total and Final Cost	\$1,169.10	\$1,550.28	\$1,231.68	\$1,579.93	\$1,003.75

NOTE:—All cars shown on these summaries are Ford Light Deliveries, except No. 17 which is a Ford Touring and No. 27 which is a Chevrolet Touring. Minor repairs, oiling, greasing, tire changes, etc., were done on all cars except Nos. 17 and 27 by the persons driving them, without any charge. Cars No. 17 and 27 were kept in a public garage and all work was paid for. No charge is made for interest on investment or storage in the schedules. They are summaries of cash expenditures, only. Depreciation is the actual difference between purchasing and selling prices.

AUDITOR'S REPORT

207 Sherlock Building,
Lethbridge, Alberta,
20th January, 1927.

L. C. Charlesworth, Esq.,
Official Trustee,
The Corporation of The Lethbridge Northern Irrigation District,
Lethbridge, Alberta.

Sir:

I have examined the Books and Vouchers of The Lethbridge Northern Irrigation District, Lethbridge, Alberta, for the year ended 31st December, 1926, and beg to submit, for your consideration, Balance Sheet as at that date together with statements of Receipts and Disbursements and Revenue and Expenditure, supplemented by appendices explanatory thereof.

The balances of Cash lying on deposit have been verified either by certificate obtained from the District's Bankers or by statements received from the Provincial Treasurer. The Cash in the Hands of the Treasurer has been proved by actual count.

The securities representing the District's Investments have been produced for my inspection, with the exception of Canadian Northern Railway Bonds of the Par Value of \$8,000.00, which have been returned to Ottawa for correction of registration, as certified by the District's Bankers.

In order to expedite the closing of accounts for the year, the Collector's Roll was closed on the 30th November last, so far as changes in the assessment were concerned, and, as a result of this course, there are a number of changes in classification which have not been given effect to in the statements now presented. I have also to report that, of the total sum of uncollected Rates, there is over \$84,000.00 outstanding on lands which are subject to a First Mortgage. The prospects of collecting these Rates are distinctly unfavourable, and, in my opinion, the Reserve set up in this behalf, which now stands at \$40,639.41, is entirely inadequate to absorb the loss anticipated in this connection.

A reserve for Depreciation on the Irrigation Works has been created by the redemption of short term Debentures to the extent of \$65,925.91, but as this is equivalent only to about $1\frac{1}{4}$ per cent of the total expenditure on the Project, it would not be sufficient for the purpose. The position will be improved somewhat by the retiral of a further block of \$40,000.00 of short term Debentures, in accordance with your arrangements, to which I allude hereafter.

Additional Reserves, as provided in the Estimates of 1925 and 1926, have been set up for Funds to take care of Maintenance of Structures and other contingencies, amounting in all to \$88,212.30. These Funds appear to be represented by Investment in Dominion of Canada Bonds valued at \$77,000.00 and, as regards the balance, by Cash in the Bank not as yet specifically allocated to any Fund.

Subject to the foregoing explanations, I am of opinion that the Balance Sheet attached hereto and forming part of this Report is properly drawn up so as to exhibit a true and correct view of the affairs of the District as at the date thereof, according to the best of my information, the explanations given to me, and as shown by the Books of the District. All my requirements as Auditor have been complied with.

At the end of the year there were available funds on hand in excess of requirements, in the sum of \$53,500.00, which I understand you have arranged to apportion between the Bonded Debt and the Water Service Funds, utilizing the former portion, amounting to \$40,761.90, to retire short term Debentures of the District held by the Province. This, in my view, is a proper and economical course to pursue in the circumstances.

It gives me pleasure to report further that the books and records were found in excellent shape, the Collector's Roll being in balance as a result of painstaking efforts on the part of the Secretary and his Staff. I also found that a comprehensive system for the control of equipment and material had been installed and conscientiously carried out, thus safeguarding property, the custody of which is as important as that of cash or securities.

Reported by,

(Signed) R. W. GARDNER,
Chartered Accountant,
Auditor to the District.

Statement No. 1

BALANCE SHEET AS AT 31ST DECEMBER, 1926.

Debenture Funds—Assets

IRRIGATION PROJECT:

As per Appendix "A" \$5,299,081.25

EQUIPMENT AND FURNITURE:

As per Inventory—Appendix "B" 28,984.01

5,328,065.26

LESS: Reserve for Depreciation 70,239.85

BOND DISCOUNTS:

As Last Year \$246,760.00

LESS: Written off 9,139.26

237,620.74

WATER SERVICE RATES COMMUTATION FUND:

Canadian Northern Railway Bonds—at cost 7,600.00

Prov. of Alberta—Savings Certificates 390.00

7,990.00

Revenue Funds—Assets

5,503,436.15

CASH:

In Can. Bank of Commerce, Lethbridge..\$36,389.47

LESS: Cheques Unpresented 1,980.48 34,408.99

In Imperial Bank of Canada, Edmonton, "Bond"

Trust Account 29,079.64

63,488.63

In Hands of Treasurer 2,981.71

RATES UNCOLLECTED:

Ratepayers and Waterusers:

Arrears 1925 94,249.10

Arrears 1926 43,350.88

66,470.34

INVESTMENTS:

Dominion of Canada Bonds—at cost 77,000.00

Interest accrued 1,605.62

137,599.98

SUNDRY DEBTORS:

Watermaster's Advances 200.00

City of Lethbridge—Deposit 5.00

Land Titles Office—Deposit 11.30

Alberta Government Telephone System—Deposit 50.00

Lethbridge Northern Colonization Manager 634.38

Accounts Receivable—Sundry 661.82

78,605.62

DEFERRED CHARGES TO OPERATION:

Insurance Premiums Unexpired 368.21

Telephone Rental Prepaid 345.35

Inventories of office & drafting supplies & stamps 507.62

Inventories of Horse Feed 1,991.79

1,562.50

INVENTORIES:

Lumber, Building Supplies, etc. 9,335.42

Seed, Grain, Feed, etc. 1,215.00

3,212.97

10,550.42

Trust Funds—Assets

5,801,437.98

CHARGES IN LIEU OF RATES:

Uncollected at 31st December, 1926 23,052.48

5,824,490.46

BALANCE SHEET AS AT 31ST DECEMBER, 1926.

Debenture Funds—Liabilities

BONDED DEBT:

Due 1st November, 1951	\$5,400,000.00	
Due by four annual installments.....	\$140,000.00	
LESS: 1st and 2nd installments paid	65,925.91	74,074.09
		<u>\$5,474,074.09</u>

RESERVES:

Reserve for Depreciation on Fixed Assets; Depreciation provided by redemption of De- bentures	65,925.91	
Additional Depreciation on Equipment	4,313.94	
		<u>\$70,239.85</u>
Deducted from these Assets per contra		8,125.09
Reserve for Water Service Rates commuted	21,934.17	
Reserve for Capital Charges Prepaid	48.80	
Suspense re Capital Charges Prepaid		<u>30,108.06</u>
		<u>5,504,182.15</u>

Revenue Funds—Liabilities

ACCRUED CHARGES:

Interest Accrued on Debentures	53,260.30
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RESERVES:

Reserve for Uncollectable Rates:	
As last year	91,559.08
LESS: Rates Written Off	50,919.67
	<u>40,639.41</u>
Reserve for Rates Prepaid	1,299.69
Reserve for Maintenance of Structures and other Contingencies	88,212.30
	<u>130,151.40</u>

SURPLUS:

As Last Year	148,334.36
Additions to Rates after Revision	4,255.32
Minor Adjustments (Net)	118.38
	<u>152,708.06</u>

DEDUCT:

Adjustment of Depreciation Reserve 1925	32,002.67
	<u>120,705.39</u>
Adjustment of Maintenance Reserve 1925	35,650.00
	<u>85,055.39</u>

ADD:

Net Revenue for the year 1926	27,458.18
	<u>112,513.57</u>
	<u>5,800,107.42</u>

Trust Funds—Liabilities

ALBERTA GOVERNMENT (TREASURY DEPARTMENT):

Charges in Lieu of Rates Uncollected	23,052.48
Due to Department on Collections	1,330.56
	<u>24,383.04</u>
	<u>\$5,824,490.46</u>

Statement No. 2

STATEMENT OF REVENUE AND EXPENDITURE FOR THE YEAR
ENDED 31ST DECEMBER, 1926.**Expenditure**

TO MAINTENANCE AND OPERATION CHARGES:

Salaries	\$ 6,757.34
Wages	44,639.04
Travelling Expenses	337.40
Taxes and Rates	3,655.52
Rents	702.03
Insurance	951.71
Telephones	1,337.41
Maintenance and Operation of Automobiles	3,340.88
Horse Expense	4,765.56
Horse Hire	6,582.40
Ditcher Expense	1,726.24
Ditch Bank Seeding	760.64
Crop Damage	256.00
Maintenance of Structures	1,676.28
Maintenance of Buildings	409.47
Minor Repairs	2,033.04
Maintenance of Equipment	840.10
Depreciation	4,073.39
Sundry	800.89

\$ 85,645.34

TO ADMINISTRATION AND GENERAL CHARGES:

Salaries	5,437.35
Travelling Expenses	199.10
Trustees' Fees and Expenses	1,237.70
Ratepayers' Meetings and Elections	20.60
Solicitors' Fees and Legal Expenses	1,546.10
Rent, Light, Heat, etc.	452.00
Insurance	46.11
Maintenance of Equipment	64.80
Printing and Stationery	876.40
Drafting Supplies	357.85
Postage, Express, etc.	291.63
Telegrams and Telephones	147.28
Auditing	400.00
Reserve for Depreciation on Equipment	240.55
Sundry	535.07

11,852.54

Bank Interest and Exchange 1,327.17

Seepage Damage 467.47

13,647.18

TO FIXED CHARGES:

Interest on Debentures, Handling Charges and Interest on Interest in Default	335,910.11
Easement Rentals	1,331.18
Reserve for Depreciation on Fixed Assets	33,923.24
Bond Discount, written off	9,139.26

380,303.79

TO MAINTENANCE FUND:

Reserve for Maintenance of Structures and other Contingencies	52,562.30
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TO BALANCE, NETT REVENUE:

Transferred to Surplus Account	27,458.18
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\$559,616.79

Statement No. 2

STATEMENT OF REVENUE AND EXPENDITURE FOR THE YEAR
ENDED 31ST DECEMBER, 1926.

Revenue		
BY RATES:		
Levy for 1926	\$539,420.43	
LESS: Reductions for reclassification, cancellations, etc.	15,333.10	
		\$524,087.33
BY PENALTIES		30,421.25
BY INTEREST EARNED:		
Interest on Investments	2,346.58	
Interest on Bank Deposits, etc.	1,482.70	
		3,829.28
BY SUNDRY REVENUE:		
Rent of Leased Lands	490.03	
Miscellaneous	139.71	
		629.74
BY FARM OPERATIONS:		
Sales and Inventories	5,579.03	
LESS: Stocks on hand 1st Jan. 1926 and expenses during the year	4,929.84	
		649.19

\$559,616.79

**THE CORPORATION OF THE LETHBRIDGE NORTHERN IRRIGATION
DISTRICT.**

Lethbridge, Alberta.

STATEMENT OF RECEIPTS AND DISBURSEMENTS FOR THE YEAR
ENDED 31ST DECEMBER, 1926.

Receipts

TO BALANCE 31ST DECEMBER, 1925:			
In Hands of Treasurer	\$	3,730.17	
In Canadian Bank of Commerce		16,923.12	
			\$ 20,653.29
TO RATES:			
Arrears Paid by Government		369,430.10	
1926 Rates Paid by Government		473,612.41	
Arrears collected		53,398.84	
1926 Rates collected		7,125.18	
			903,566.53
TO CHARGES IN LIEU OF RATES:			
Charges Collected		43,522.21	
LESS: Deposited in Treasury Department			
"Trust" Account		42,568.65	
			953.56
TO PREPAYMENTS:			
Capital Charges Prepaid		21,934.17	
Water Service Rates commuted		8,125.09	
			30,059.26
TO INTEREST AND DISCOUNT:			
Discount Earned		63.81	
Interest on Bank Deposits & Savings Certificates		1,424.33	
Interest on Investments		1,800.00	
			3,288.14
TO SALES:			
Hay, Feed and Grain		385.05	
Lumber, etc.		275.21	
			660.26
TO SUNDRIES:			
Advances Repaid		1,025.66	
Seizure Proceeds		2,253.49	
Rates Overpaid		219.67	
Government Taxes on Rate Enforcement Lands		186.54	
Cheques Withdrawn		93.78	
Rents		35.00	
Rebates		23.68	
Miscellaneous		358.90	
			4,196.72
			<u>\$963,377.76</u>

**THE CORPORATION OF THE LETHBRIDGE NORTHERN IRRIGATION
DISTRICT.**

Lethbridge, Alberta.

**STATEMENT OF RECEIPTS AND DISBURSEMENTS FOR THE YEAR
ENDED 31ST DECEMBER, 1926.**

Disbursements.

BY PROPERTY		\$ 28,689.81
BY MAINTENANCE AND OPERATION		79,406.73
BY GENERAL ADMINISTRATION		12,241.26
BY FARM OPERATIONS		2,448.04
BY INVESTMENTS:		
Dominion of Canada Bonds	\$ 77,977.44	
Canadian Northern Railway Bonds	7,681.60	
Provincial Savings Certificates	390.00	
		86,049.04
BY LOANS REPAID:		
Alberta Government (Treasury Department)	238,116.27	
Bank of Montreal	71,974.88	
		310,091.15
BY DEBENTURES:		
Principal Installment due 31st December, 1926	33,923.24	
Interest on Bonded Debt & Bank Charges thereon	335,910.11	
		369,833.35
BY SUNDRIES:		
Cash Advances	1,096.12	
Rates Refunded	2,336.95	
Easement Rentals	1,331.18	
Seizure Funds distributed	2,758.27	
Seepage Damages	467.47	
Material Stock	148.95	
Aerial Photographs	9.10	
		8,148.04
BY BALANCE 31ST DECEMBER, 1926:		
In Hands of Treasurer	2,981.71	
In Bond Trust Account	29,079.64	
In Canadian Bank of Commerce	\$36,389.47	
LESS: Cheques Unpresented	1,980.48	
	34,408.99	
		66,470.34
		\$963,377.76

THE CORPORATION OF THE LETHBRIDGE NORTHERN IRRIGATION DISTRICT.

Lethbridge, Alberta.

SUMMARY OF EXPENDITURE ON PROJECT TO 31ST DECEMBER, 1926.

CONSTRUCTION:

	Expen. 1926	As at Dec. 31, 1925	As at Dec. 31, 1926
Additional Structure	\$ 3,475.30		
Additional Buildings	9,902.28		
Betterment to Structures	566.55		
Betterment to Buildings	910.63		
Right of Way	235.00		
Telephone System	267.65		
Lands	1,610.40		
Farm Bridges	1,446.73		
	\$18,414.54	\$4,235,227.57	\$4,253,642.11
ENGINEERING:			
As last year		376,977.61	376,977.61
ADMINISTRATION:			
As last year		876,348.92	876,348.92
DEPRECIATION:			
As last year		13,523.26	13,523.26
		5,502,077.36	5,520,491.90
DEDUCT:			
Interest earned during construction		221,410.65	221,410.65
	\$18,414.54	\$5,280,666.71	\$5,299,081.25

**THE CORPORATION OF THE LETHBRIDGE NORTHERN IRRIGATION
DISTRICT.**

Lethbridge, Alberta.

SUMMARIES OF INVENTORIES OF EQUIPMENT, EXPENDABLE MATERIAL AND FARM PRODUCE ON HAND AT DECEMBER 31ST, 1926.

Equipment

Macleod Unit	\$4,824.77	
Monarch Unit	4,077.36	
Commerce Unit	3,631.67	
Iron Springs Unit	5,409.27	
Headquarters	3,894.89	
Excavator	7,146.05	
		\$28,984.01

Expendable Material

Macleod Unit	1,946.70	
Monarch Unit	2,628.19	
Commerce Unit	3,266.11	
Iron Springs Unit	1,494.42	
		\$ 9,335.42

Farm Produce

Commerce Unit	713.00	
Iron Springs Unit	502.00	
		\$ 1,215.00

Horse Feed

Macleod Unit	734.21	
Commerce Unit	519.58	
Iron Springs Unit	738.00	
		\$1,991.79

THE CORPORATION OF THE LETHBRIDGE NORTHERN IRRIGATION DISTRICT.

Lethbridge, Alberta.

**SUMMARY OF EXPENDITURES ON MAINTENANCE AND OPERATION
BY UNITS FOR THE YEAR ENDED 31ST DECEMBER, 1926.**

	Hdqs.	Macleod	Monarch	Com'ce	Iron Spg.	Totals
Salaries	\$ 6,757.34	\$	\$	\$	\$	\$ 6,757.34
Wages		8,130.50	11,095.64	10,813.95	14,598.95	44,639.04
Trav. expenses	281.15	6.90	17.75	10.05	21.55	337.40
Taxes and rates	3,655.52					3,655.52
Rents			516.83	125.20	60.00	702.03
Insurance	12.50	142.38	571.15	143.32	82.36	951.71
Telephones		171.10	253.70	304.65	607.96	1,337.41
Main. & Operation of Automobiles ..	954.87	444.25	363.85	772.21	805.70	3,340.88
Horse expenses		1,714.90	649.41	1,059.50	1,341.75	4,765.56
Horse hire		1,130.40	3,997.85	1,165.70	288.45	6,582.40
Ditcher Expense				1,145.95	580.29	1,726.24
Ditch bank seeding		272.75	183.23	88.70	215.96	760.64
Crop damage		96.00		100.00	60.00	256.00
Main. of Structures		740.78	37.49	350.36	547.65	1,676.28
Main. of Buildings		75.02	19.33	174.62	140.50	409.47
Minor Repairs		210.76	369.66	703.31	749.31	2,033.04
Main. of Equipment	13.41	249.03	123.79	100.76	353.11	840.10
Depreciation	370.35	445.97	725.41	1,571.38	960.28	4,073.39
Sundry	26.32	122.05	319.50	153.99	179.03	800.89
	\$12,071.46	\$13,952.79	\$19,244.59	\$18,783.65	\$21,592.85	\$85,645.34

